



COMMUNITY DEVELOPMENT DEPARTMENT

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PLANNING COMMISSION MEETING MINUTES

REGULAR MEETING

MAY 10, 2005

PRESENT: Benich, Escobar, Koepp-Baker, Lyle, Mueller

ABSENT: Weston

LATE: Acevedo

STAFF: Business Assistance and Housing Services Director (BAHSD Toy),
Planning Manager (PM) Rowe, and Minutes Clerk Johnson

Vice-Chair Lyle called the meeting to order at 7:02 p.m., by leading the flag salute.

DECLARATION OF POSTING OF AGENDA

Minutes Clerk Johnson certified that the meeting's agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

OPPORTUNITY FOR PUBLIC COMMENT

Vice-Chair Lyle opened the opportunity for public comment.

Making certain that no persons were present to address matters not appearing on the agenda for the evening, Vice-Chair Lyle closed the time for public comment.

MINUTES

APRIL 26, 2005

COMMISSIONERS MUELLER/ ESCOBAR MOTIONED TO APPROVE THE APRIL 26, 2005 MINUTES, WITH THE FOLLOWING MODIFICATIONS:

Page 7, paragraph 7, ***and*** pages 8 & 9 [the 3 resolutions]: ~~5050~~ **4550**

Pages 8 & 9 [the 3 resolutions]: **AYES (add): BENICH, KOEPP-BAKER and ABSTAIN: BENICH, KOEPP-BAKER NONE;**

Page 10, paragraph 3: ~~throw some items in~~ ***do not realize the proposed***

Page 11, paragraph 5: two 5 acre parcels listed in the presentation are not included on the parkland summary list provided in the packet.

Page 13, paragraph 7: funding for ~~parks~~ ***streets***

Page 14, paragraph 6: ~~give allocations~~ ***redistribute the allotments***

THE MOTION CARRIED WITH THE FOLLOWING VOTE: AYES: BENICH, ESCOBAR, KOEPP-BAKER, LYLE, MUELLER; NOES: NONE; ABSTAIN: NONE; ABSENT: ACEVEDO, WESTON.

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WORKSHOP

Workshop Item 1: PM Rowe indicated that a developer and non-profit housing have approached the Business Assistance and Housing Services Department with a proposal for affordable ownership housing project. In the correspondence received by the Planning Department and distributed to the Commissioners from BAHS Director Toy, the proposal was outlined. PM Rowe noticed that BAHS Director Toy was present to ask the Commissioners to have discussion regarding the matter.

BAHS Director Toy addressed the Commissioners, saying this would be an informal informational session where the developer (Scott Schilling) and the non-profit (South County Housing) could present the concept they had brought to the City: Affordable ownership housing in Madrone Plaza, at the south side of Cochrane Road and east of Monterey Rd. BAHS Director Toy explained that there were a few key issues to be discussed at this workshop:

- proposed development of the property to South County Housing to allow the non-profit to develop +/- 100 affordable housing units [however, this would possibly eliminate the 'moderate' market rate units in the community on which the allocations had been based]
- policy of allowing market rate for-sale units to be developed with affordable for-sale units
- Facilitating the earlier build out of projects

Vice Chair Lyle noted this was a workshop and invited members of the public to speak at will.

Scott Schilling, 16060 Caputo Dr. #160, thanked BAHS Director Toy for consideration of the project and said representatives of South County Housing were present to answer questions and give input into a new affordable housing development concept.

Mr. Schilling offered the following information:

- the project under discussion (Madrone Plaza) competed this year in the Measure C competition under an 'affordable housing' master plan
- the challenges with Measure C affect applications for affordable and larger projects
- The application competed this year and received 64 units [36 for year 1; 13 allocations for year 2 and then 15 additional allocations for year 3; there are complications with timing - if there are an average of 30 units built per year, then completion is almost 10 years away]
- this opportunity to complete a joint project with the non-profit could cut the time in half (5 years)
- this project presents a couple of other unique opportunities: if single-family detached housing is built, it might not be the best for affordability, as an affordable market-rate could be expected to sell for around \$800,000 (not that different from open market)
- because of the density and type of project being proposed now, the City have affordable housing within the project mix

Mr. Schilling said that a 'bottom line' question for the Commissioners would be if there is a desire for the City to do this type of project: having a developer partner with a non-

profit and bring the project in within half the original time frame?

BAHS Director Toy indicated that this is a good project in terms of how well it meets the City's adopted affordable housing strategy and that the concept of mixing market rate and affordable housing is also a good concept. BAHS Director Toy stressed that if the Commissioners felt it to be a good concept, investigation could be had as to how to structure such a plan for other areas of the City. One looming issue, BAHS Director Toy indicated, was the time frame – presuming it would be good to build, but maybe not sooner than the project originally planned.

Jan Lindenthal, of South County Housing, spoke to the Commissioners, saying the concept had been proposed before and was brought up in the Committee when evaluating Measure P (now C). Ms. Lindenthal reminded that affordable housing, separate from market rate housing, had been the cornerstone of South County Housing, as the organization had repeatedly tried to integrate housing with higher quality living for everyone. She explained that as a non-profit, the organization can have up to 25% of the work completed for market rate housing. Ms. Lindenthal gave details of the work at Morgan Station where some units were market rate, along with some affordable, with the result being that no local public money was utilized. "It is possible to have the rest of the affordable units built with profits from market rate and plowing those profits back into affordable housing by South County," Ms. Lindenthal declared. "So a project combination of low-income and median/moderate is a good blending. We are suggesting that here in this situation a non-profit housing development with a joint venture with the developer, then 25 % could be open market and by virtue of the size of units, this project and the remaining affordable units could be in the following range: 30 low-income units, 35 median units, and 10 moderate units. So basically, the development would add affordable units without public subsidy."

Vice-Chair Lyle said that with the proposal, he was assuming there would be the same level of amenities as with the whole project. Commissioner Escobar interjected, "Housing types, too." Vice-Chair Lyle emphasized he was not saying this is a different type of development, in terms of architectural quality, adding his concern centered here about offsite improvements.

Commissioner Mueller clarified that Ms. Lindenthal had been referencing 100 units, including the 25% open market.

Commissioners raised the following points regarding the request:

- points received under Measure C
- how this proposed change would impact the original points of the application (if at all)
- both the developer and South County Housing have completed exceptional projects through the years
- number of BMRs in the original application
- off-site obligations
- original application scored 187 points; applications from South County have never topped/broke 150
- basic point: if 75 affordable units are guaranteed for this project, there have been

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- 75 units lost to be built somewhere else in the City
- the City is supposed to build so many in categories (73 low and very low units per year)
- the proposal makes sense on this location
- the original application was ‘the best received in a very long time’

Mr. Schilling stated that as far as housing types, of the affordable most built within the last 5 - 6 years, most had been rentals with very little ‘for-sale’ units. This would be a better opportunity for providing the for-sale affordable units within 5 years, instead of waiting for the completion of the original project.

Commissioner Mueller pointed that the original application had been for 256 units of affordable and if the units under discussion are taken out of the mix, the City would lose 75 units of affordable housing.

Mr. Schilling addressed the issue of off-site improvements for the project with 256 units, as he talked sidewalks and street improvements at Jarvis, along with signal improvements, while pledging that all will still be completed under the joint venture proposal. Mr. Schilling reminded that this property is paying assessments for major improvements in the City as part of an area-wide assessment undertaking.

Ms. Lindenthal returned to the podium for discussion regarding points received on the application for affordable housing, stressing this is an ownership project that would be scaled and asserting this would not compromise what was proposed in the original application.

Discussion ensued regarding housing types and price ranges.

Commissioner Mueller stated the Commission and the City had no reason to suspect that these 256 units will not meet the requirements of the General Plan.

Vice-Chair Lyle agreed, saying where the original application got points, the commitments still must be met. Vice-Chair Lyle pointed out that while the proposal presents an advantageous location, there would still be a ‘lot of logistics to work out’. He cited a question of having all the allotments come out of the affordable category resulting in so many problems on a project which is already going to make it work, and saying that the 75 units being reduced to 30, which is very low, would be troublesome.

Commissioner Mueller concentrated on the fact that if 75 units are taken out of the 256 and others from various categories, the result will be a net loss of 75 units. Discussion followed regarding the issues of having the potential shortage of affordable units city-wide if this request is agreed. Considerable discussion was had regarding the ABAG numbers and how upcoming requirements for ABAG could possibly be fulfilled.

Commissioner Escobar said he thought the City could consider conceptionally the trade-off here – there would be more ownership as opposed to more rentals, adding it would be beneficial to ‘think the proposal through carefully’. Commissioner Escobar continued by stating a promising point would be this advances the project by 5 years on a 10-year

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project. "We groan yearly about not getting projects done, so this presents an opportunity for low and very low income units which can be done in a relatively short period of time. That would have an impact on people to buy today, something that they may not be able to afford years down the road," Commissioner Escobar said.

Mr. Schilling spoke on the affordable set-aside, in addition to the low and very low designated units, as he stated an assumption could not be made that the 25% set aside would only go to low and very low units. .

Commissioner Acevedo arrived at 7:34 p.m. and was seated on the dais.

The Commissioners discussed the suitability of the site and location, with Commissioner Mueller indicating discomfort with the proposal 'given, that an affordable project has already been approved there'.

Commissioner Benich said he thought it desirable to have low and very low units positioned closer to a public transportation center. Vice-Chair Lyle noted there are not nearby groceries stores to the site.

Commissioner Mueller asked, "Should we be looking to put an open market in affordable units as a general policy? Are we taking steps to figure out how to do that with the 25% or play games with BMRs?" Commissioner Mueller suggested asking staff to bring back proposals on how to do that; to find a way to build affordable units for sale.

BY OVERALL CONSENSUS (WESTON WAS ABSENT), THE COMMISSIONERS AGREED THE CONCEPT PRESENTED WAS GOOD, 'ESPECIALLY SINCE NO PUBLIC MONEY WOULD BE INVOLVED'.

Commissioner Benich said he could support the model, but said it would have been better to weight the merits during an application discussion, not try to 'retrofit' that application.

The Commissioners discussed that it was a 'good project' but indicated a lack of concern about 'not going go back and redoing the application'.

Commissioner Mueller said a concern had always been how to get larger projects thoroughly processed within the guidelines of the General Plan for the City.

"We need to make better use on the 'on-going project category' and set a policy for the highest scoring, instead of structuring down as we have done," Commissioner Mueller declared. "Historically, the couple of the top scoring on-going projects get the allocations for on-going, but the emphasis needs to be finishing."

Vice-Chair Lyle spoke on 'continuing project points'.

Mr. Schilling indicated it would be necessary for City services to address retrofitting in Measure C, as he said that previously under Measure P he had gotten 66 allocations, but in each succeeding competition he had to go back and redo the application by retrofitting. He added that this request did not constitute a new procedure.

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The Commissioners listed the pros and cons of the request:

- Conceptually good
- Losing overall numbers of units
- Changing mix doesn't affect the current ABAG requirement, but will affect the upcoming sequence

Commissioner Escobar suggested to South County Housing that they could check where other projects have been done successfully, as the City must work within the numbers available. "While this seems the right thing to do, we must look at tradeoffs – it might cost some units, but it can be a goal," Commissioner Escobar commented.

Commissioner Koepp-Baker remarked that home ownership is another goal.

Ms. Lindenthal said, "The biggest enemy of affordable housing is time, so stretching out over 10 years, as with the original application, is difficult. By allowing the project to be built out faster, it will be better for first buyers and future buyers as well."

A discussion on scoring was had, with PM Rowe explaining that staff gives analysis on the requests presented in each application cycle. He also said that scoring had not been completed on the request, as it had not been received as part of the application and staff felt it important to ascertain the reaction of the Commissioners before proceeding.

Vice-Chair Lyle asked about scoring for the set aside and the amenities.

Commissioner Mueller said there was a consensus for exploring the concept of using open market with affordable units, and other issues to be worked out as the program is formulated.

Vice Chair Lyle asked the *whether this project would apply for this year's competition?* Mr. Schilling responded, "Yes." He went on to say it would be a joint project with South County Housing, having the same HOA and shared amenities as a joint community 'all done together'.

BAHS Director Toy explained how the request intermixed with the housing element, General Plan goals and ABAG goals. At this time, the Agency has not committed any funding to the project, but if it did, the Agency/City Council would need to approve the project concept before any submittals by South County Housing for a housing allocation.

The Commissioners discussed the following with BAHS Director Toy:

- on-going policy
- reservations that in Measure P the original application score can't be reduced
- 75 less affordable units in terms of meeting the ABAG's numbers
- scoring of low rate projects if independently scored this fall, and considering the levels of commitments, the Commissioners were not sure 'how to do; we need to know what the criteria will be'
- the need to understand the BAHS Department's stance on the mix and numbers overall
- (to PM Rowe) how to score the application if it is to move forward

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- (to BAHS Director Toy) when this request could be expected to be returned to the Planning Commission and ultimately to the City Council. [BAHS Director Toy responded the ABAG analysis could be completed within 30 days for the PC]
- if no agency money is to be utilized, then the proposal will be submitted under the ‘normal application’ process
- the City Council should review the ABAG numbers and the Housing Element numbers with consideration of the policy on BMRs

Vice-Chair Lyle cautioned that the criteria must be done in July, so resolution of the issues needs to be completed sooner. “If the wait is longer, then no one will apply for the affordable category,” he warned.

This portion of the workshop was completed at this time.

Workshop Item 2: Identify items for the joint Planning Commission - City Council meeting.

PM Rowe presented the ‘starter list’ gleaned from prior Commission discussion:

- 1 Changes to housing needs category and elements of that category
- 2 Increase in levels of density in City Council designated areas of the downtown (Maybe higher density will be warranted)
- 3 Using the framework of the Downtown Plan to determine the *critical mass* of development areas: where else beside Third St. [so there will be a complete vision for downtown]
- 4 (From the subcommittee) The impact of the decision to expand Downtown boundary areas - concern is that units for the set-aside for Downtown (over 100 units) could be relocated to other areas

Commissioner Escobar asked how much time will be allowed for the workshop, as it seems there will be a lot needed.

Commissioner Acevedo suggested:

- 5 What can be expected from the riparian study – what does the City Council expect; articulation is needed.
- 6 Vice-Chair Lyle commented it might help with the work to be done with the parking plan if the Commissioners have information available and what the direction of the City Council is.

PM Rowe commented that the parking management study is being completed. Vice-Chair Lyle responded that the Commissioners know it is coming, but the Commissioners need to have identification by the City Council of the direction as to how accommodating they want the parking management plan to be. “It would help the Planning Commission through the process,” Vice-Chair Lyle stated.

Commissioner Acevedo recognized the issues associated with the ‘auto study’ (placement of vehicle sales) saying, “It seems to be more of an item for discussion at the

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City Council level than anywhere else.” He indicated that the subcommittee, which he and Commissioner Mueller were part of, had virtually ceased operations.

Commissioner Mueller indicated thinking that the Committee of Economic Development would have impact; so the subcommittee of that body could bring feedback to the Planning Commission, he asked Staff to contact them for input.

NEW BUSINESS:

**1) SD-05-01/
DA-05-01:
COCHRANE-
MISSION RANCH** A request for approval of a 48-lot subdivision and development agreement representing phases 9, 10 & 11 of the Mission Ranch project located on the south side of Cochrane Rd., west of Peet Rd. and east of Mission View Dr. The 11.44-acre subdivision request is located in the southwest corner of the project site adjacent to Peet Rd.

Vice-Chair Lyle determined that the modifications provided by the Planning Division staff to the development agreement had been distributed to all Commissioners.

PM Rowe presented the staff report, noting this evening phases 9b, 10 and 11 of the development were under discussion. He advised that the conditions for the September, 2004 RPD approval had been met, with the map having been submitted. The plan was approved by the City Council, with only one minor deviation presented: the separate corner duet unit has been changed to reflect the changes in the BMR units. PM Rowe said the revisions presented are consistent with the RPD and the BMR commitments.

Vice-Chair Lyle opened the public hearing.

Dick Oliver, 275 Saratoga Ave., #105, Santa Clara, spoke to the Commissioners, as the applicant, explaining that he suggested a correction to the development agreement: have the requirement for two moderates income units in each phase would necessitate the carry-over of one moderates rate unit to be applied in the next phase. Mr. Oliver explained the placement of the 12 modified setback units on the corners. In conclusion, Mr. Oliver reminded the Commissioners of his request for the inclusion of a notation to the development agreement:

(page 7, (l) (i) Phase 11: + one carry-over moderate rate unit

With no others present to address the matter, the public hearing was closed.

Commissioner Acevedo said he felt strongly that the item in the local newspaper under the ‘letters to City Council’ column regarding the recent escapes from the Boys Ranch nearby, this development was cause for concern. Commissioner Acevedo noted that the Commission has added statements to other project conditions and standards regarding notification to neighboring property owners whereby horses, etc., were present, and suggesting that perhaps adding some disclosure for this development which is within one mile of the Boys Ranch would be appropriate. “I feel the issues should be disclosed and I’m asking the disclosure to be included,” Commissioner Acevedo declared.

Vice-Chair Lyle re-opened the public hearing to permit Mr. Oliver to respond to Commissioner Acevedo’s request.

Mr. Oliver told the Commissioners that he has disclosed to home buyers for the past 10

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years the proximity of the Boy's Ranch facility. Recently he began sponsoring public meetings to indicate the location of the Boys Ranch and the possibility of escapees.

With no others to speak to the matter, Vice-Chair Lyle closed the public hearing.

PM Rowe called attention to proposed

Resolution No. 05-22, Standard Conditions page 8, item 8 B, clarifying that the 10% should be stricken and replaced with the following figures:

5% low income units

8% median income rate units

and

Other Conditions (add) page 21, item XXIII, 5

Requirement of disclosure of the location of the Boys Ranch and the possibility of escapees from that facility to the area.

COMMISSIONER ACEVEDO OFFERED RESOLUTION NO 05-22, WITH THE MODIFICATIONS AND REVISIONS DISTRIBUTED, AND TOGETHER WITH THE AMENDMENTS PROPOSED (ABOVE), AS WELL AS THE FINDINGS AND CONDITIONS CONTAINED THEREIN, AND APPROVING A 48-LOT SINGLE-FAMILY RESIDENTIAL SUBDIVISION ON A 3.07-ACRE PORTION OF THE MISSION RANCH PROJECT LOCATED BETWEEN MISSION VIEW DR. AND PEET ROAD. COMMISSIONER ESCOBAR PROVIDED THE SECOND TO THE MOTION, WHICH PASSED WITH THE UNANIMOUS AFFIRMATIVE VOTE OF ALL COMMISSIONERS PRESENT; WESTON WAS ABSENT.

COMMISSIONER MUELLER OFFERED RESOLUTION NO. 05- 23, WITH THE STAFF PROVIDED REVISIONS AND THE MODIFICATION ON (PAGE 7, (L) (I) PHASE 11: + ONE CARRY-OVER MODERATE RATE UNIT RECOMMENDING APPROVAL OF THE DEVELOPMENT AGREEMENT APPLICATION, DA-05-01 FOR APPLICATION MP 04-26: COCHRANE-MISSION RANCH. NOTING THE INCLUSION OF THE FINDINGS AND CONDITIONS OF THE RESOLUTION, COMMISSIONER ESCOBAR PRESENTED THE SECOND TO THE MOTION, WHICH CARRIED WITH THE UNANIMOUS AFFIRMATIVE VOTE OF ALL COMMISSIONERS PRESENT; WESTON WAS ABSENT.

OTHER BUSINESS:

**2) SELECTION
OF CHAIR/VICE-
CHAIR**

PM Rowe gave the staff report, explaining the policy of the City Council regarding the selection by seniority and rotation of the Chair and Vice-Chair for the ensuing year. He verified that Vice-Chair Lyle would be in line to be Chair and Commissioner Benich, Vice-Chair. Both indicated the willingness to serve.

COMMISSIONERS ESCOBAR/ MUELLER MOTIONED TO ELECT VICE-CHAIR LYLE AS CHAIR AND COMMISSIONER BENICH, VICE-CHAIR FOR THE YEAR BEGINNING JUNE 1, 2005. THE MOTION WAS PASSED WITH THE UNANIMOUS AFFIRMATIVE VOTE OF ALL COMMISSIONERS PRESENT; WESTON WAS ABSENT.

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Commissioner Acevedo asked when can the City Council members be expected to give appointments/interviews for reappointment of current Commissioners who wish to continue? PM Rowe explained past practice.

ANNOUNCEMENTS: PM Rowe advised that the City Council during the May 4 meeting approved a recommendation from the Commissioners regarding the Church/Vineyard PUD. Also of interest, PM Rowe informed, was the request for assistance with the review of the Coyote Valley Plan, as it appears the residential development is scheduled for acceleration under the Plan.

Commissioner Benich observed that an agenda item for the next meeting is a zoning amendment for Tennant-Safeway. Commissioner Benich reminded that SP Linder had promised that by spring all the non-conforming items would be completed and inquired of the status of those items. PM Rowe advised of the update and stated the items are basically held up due to the inclement weather, but approval for the sign was complete and the sign had been done. Commissioner Benich said that he had noticed when he drove by the driveway on Vineyard, the open dumpsters were in sight, which is in violation. PM Rowe further advised that with the amendment scheduled for the next meeting, the site will have increased screening, as well as update landscaping, etc.

Commissioner Acevedo announced that the Community Development Department and the Police Department had recently invited community leaders to attend a special class and he had availed himself of the invitation. Commissioner Acevedo termed the presentation(s) as 'very interesting' and said that the program covered much data. Of special interest was the fact presented that the highest burglary rate on homes is on corners. It was brought up, Commissioner Acevedo said, that if BMRS, very low income, and low income rate units are always required for the corners of development streets, there is more likelihood those dwellings would be targeted for burglaries.

ADJOURNMENT: Inquiring as to further business to come before the Commissioners at this meeting and discovering there was none, Vice-Chair Lyle adjourned the meeting at 8:35 p.m.

MINUTES RECORDED AND PREPARED BY:

JUDI H. JOHNSON, Minutes Clerk